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Top performers for equity, fixed-income

Five top equity funds return better than 70% for the year

By Linda Savage Ruhe

CHICAGO—The rising stock market has rewarded the top bank and insurance company equity funds with record returns for both the quarter and the year ending March 31.

For the year, the top five funds had returns of more than 70%, with Security Pacific National Bank, Los Angeles, topping the list at 89%.

For the quarter, the top five funds had returns of more than 17%, with Pioneer Bank & Trust Co., Chicago, and Seattle Trust, Seattle, tying for first with returns of 18.2%.

In the past 10 years, the previous high equity return recorded in the Pensions & Investments' Performance Evaluation Report was for the year ending March 31, 1981, when First Bank of Denver posted a return of 77.2%.

For this report, compiled by Rogers, Casey & Barksdale, 250 commingled equity funds of banks and insurance companies were tracked.

At the same time the top funds reported record figures, the median funds underperformed the Standard & Poor's 500 index for the quarter and year.

The median for the quarter was 9.5%, compared with a 10% return for the S&P 500.

For the year, the S&P returned 44.5%, compared with the median P.I.P.E.R. equity fund return of 42.2%.

For the year, only 99 of the funds had returns that were above the S&P 500's.

For the three-year period, the median fund matched the S&P 500 at 20.7%.

For five years, the median fund annualized return of 17.85% beat the S&P 500 at 17.6%.

For 10 years, the S&P 500 index returned 8.3%, beating the median P.I.P.E.R. fund, which recorded 7.7%.

For the quarter, Merchants National Bank, Mobile, Ala., came in third with 17.9% behind Pioneer Bank and Seattle Trust.

Ranking fourth was Citizens Bank & Trust Co., Chillicothe, Mo., with 17.6%, and fifth was First Union National Bank, Charlotte, N.C., with 17.2%.

For the year, following Security Pacific National's 89%, was First Variable Life Insurance Co., Little Rock, Ark., which had a return of 76.8%.

In third place was Citizens Trust Co., Madison, Wis., with a return of 71.6%.

Fourth place for the one-year period was taken by California First Bank, San Diego, with a return of 71.6% and fifth went to Huntington National Bank, Columbus, Ohio, with a return of 70.4%.

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The statistical data on performance is extracted from Pensions and Investments' Performance Evaluation Report (P.I.P.E.R.), a quarterly performance evaluation service published separately by *Pensions & Investment Age*.

The service details comparative performance data on more than 200 equity funds and a like number of fixed-income funds for banks and insurance companies. The reports are compiled by Rogers, Casey & Barksdale Inc., Stamford, Conn.

Information from the reports is extracted and published in the regular issue of *P&I Age*. The special section contains:

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Top quartile fixed-income returns ..... **pg. 22**
Equity performance by size ..... **pg. 21**
Fixed-income performance by size ..... **pg. 21**

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Stable interest rates restrain returns on bond portfolios

By Lynn Griffo

NEW YORK—Stable interest rates in the first quarter of this year put a damper on returns for commingled fixed-income funds managed by banks and insurance companies, according to the latest Pensions & Investments' Performance Evaluation Report.

For the quarter ended March 31, the median commingled bond fund returned 3.1%, the same return achieved by the Lehman Bros. Kuhn Loeb Government/Corporate Bond Index. The Salomon Bros. High Grade Bond Index, which consists exclusively of long corporate bonds, did somewhat better in the first quarter with a 3.7% return.

The P.I.P.E.R. median was down from the previous quarter's return of 8.2%; the comparative indices showed similar drops, reflecting stabilized interest rates.

Meridian Management Co., the investment subsidiary of First Variable Life Insurance in Arkansas, had the best result in the first quarter with an 8.5% return.

Not only was Meridian in first place for the first three months of the year, but it also was in the top decile for the one- and three-year periods ending March 31.

Meridian's return of 40.1% for the year puts it in sixth place. Meridian ranked eighth, with a 19.8% return, for the three years.

Merchants National Bank of Mobile, Ala., was the second highest performer in the first quarter, with a 7.2% rate of return and First & Merchants National Bank in Richmond, Va., with 6.9%, was third.

First & Merchants has stellar fixed-income performance not only in the latest quarter but also for the one-, three- and 10-year periods ending March 31.

However, one of the key individuals responsible for these numbers, Fred Tattersall, formerly senior vice-president and fixed-income department chief at the bank, left in February to become a managing

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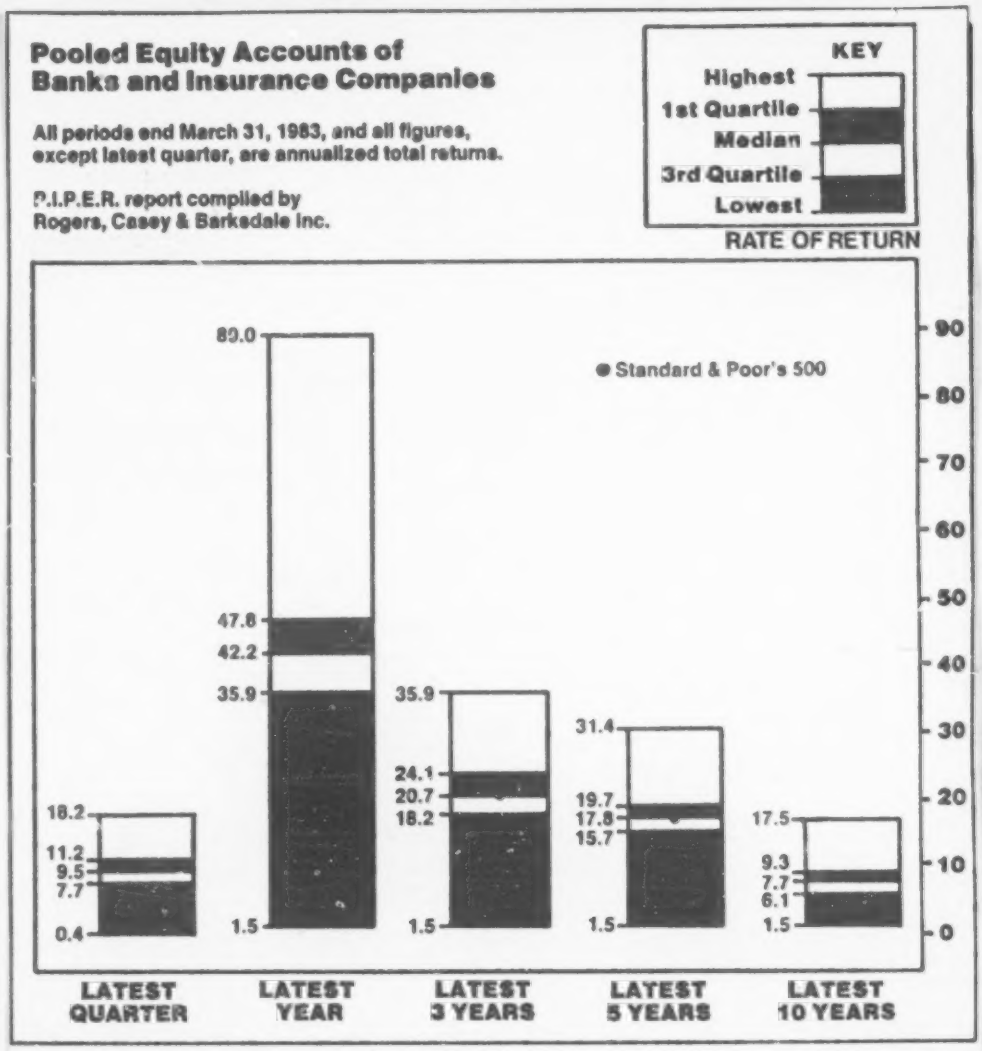
Pooled Equity Accounts of Banks and Insurance Companies

All periods end March 31, 1983, and all figures, except latest quarter, are annualized total returns.

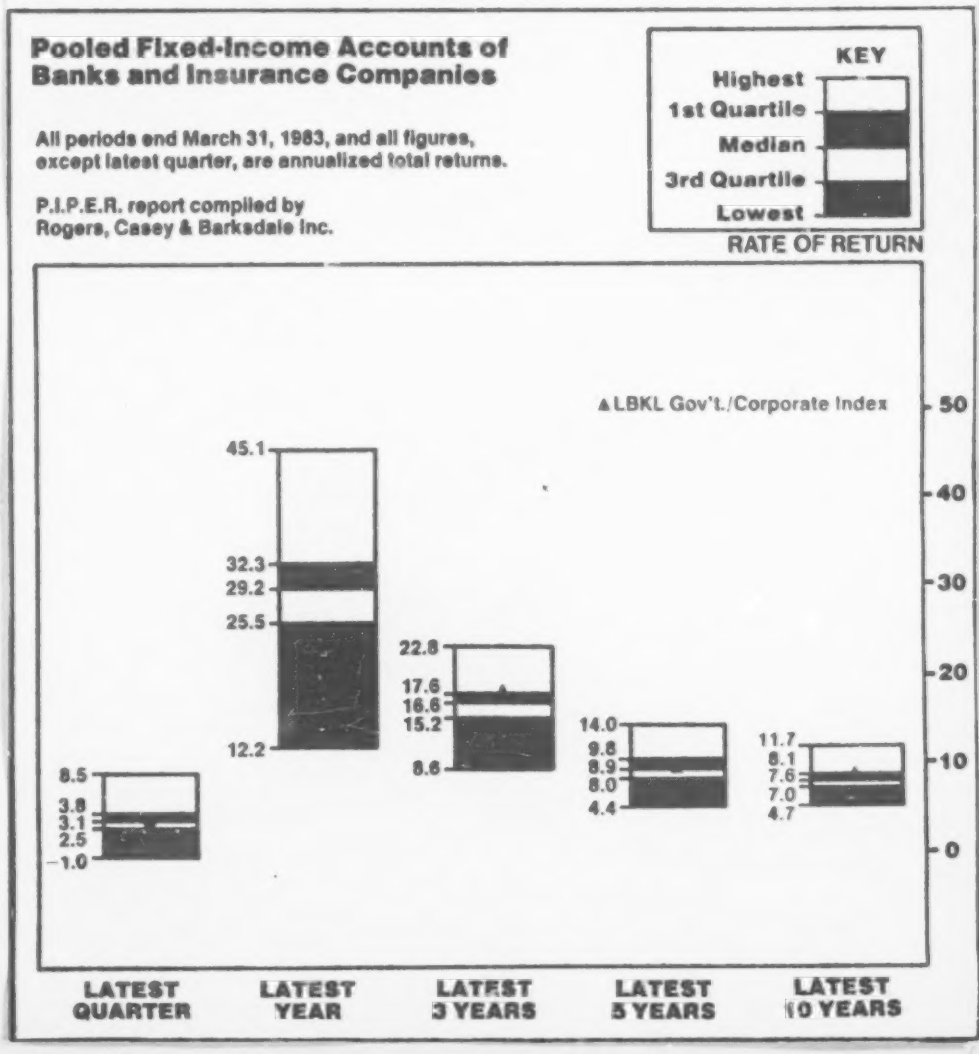
P.I.P.E.R. report compiled by Rogers, Casey & Barksdale Inc.



Pooled Fixed-Income Accounts of Banks and Insurance Companies

All periods end March 31, 1983, and all figures, except latest quarter, are annualized total returns.

P.I.P.E.R. report compiled by Rogers, Casey & Barksdale Inc.



Fixed-income . . .

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director at Lowe, Brockenbrough & Tierney, (*Pensions & Investment Age*, March 7).

The fourth and fifth highest performing commingled bond funds in the first quarter were at Mutual of New York and Trust Services of America (California) with returns of 6.1% and 5.9% respectively.

MONY also hit the top quartile for the one-year period with a return of 34.4%.

The median P.I.P.E.R. fixed-income return for the one-year period is 29.2%, reflecting the interest-rate declines in the fourth quarter of 1982 and the concurrent rally in the bond market.

The highest performing fund for the year ending March 31 is at Commerce Union Bank in Tennessee, which chalked up a 45.1% return.

Moreover, Commerce Union's fund was the only commingled bond fund in the P.I.P.E.R. index to outperform the Salomon Bros.' index return of 43.9% for the same period.

While Commerce Union's fund did not hit the top quartile rankings for the latest quarter or three-year period, it is ranked third for the 10 years, with a 10.1% return.

The second highest performer for the one-year period was United Bank of Denver's investment management subsidiary, United Capital Management, with a 42.6% return.

United Capital Management also made the top decile for the first quarter of this year with a 5.2% rate of return.

Close behind United of Denver was Central National Bank of Cleveland's commingled bond fund, which shows 42% for the one-year period.

Fourth and fifth highest performers in this time frame were AmSouth, in Alabama, and First Wisconsin National Bank, Madison, with returns of 41.9% and 41.7%, respectively.

The Lehman Bros. index for the one-year period ending March 31 was 30.6%.

Among the larger institutions, one-year returns were: John Hancock, Boston, 37.3%; Citibank, N.Y. 36.1%; Chase Manhattan, N.Y., 35%; First National Bank of Chicago, 34.7%; and Travelers, Hartford, 28%.

Looking at the commingled bank and insurance company bond funds for the three years ending March 31 shows the median bond fund returning 16.6% for the period. This is below the Salomon and Lehman index figures of 18.5% and 17.7%, respectively.

First & Merchants returned the high score, 22.8% for this period, while First Kentucky Trust earned the No. 2 spot with its 21.1% return.

American National Bank of Austin, Bankers Trust Co., and Allied Bank in Texas garnered the third, fourth and fifth highest scores with returns of 20.9%, 20.6% and 20.3% respectively.

For the 10-year period ending March 31, Bank One Trust Co. in Ohio had the highest return in the P.I.P.E.R index with its 11.7% return. Hibernia National Bank in Louisiana was in second place with a 10.2% return.

In descending order, Commerce Union Bank in Tennessee—10.1%, Jefferson Trust Co. in Illinois—10.0%, and Seattle First National Bank also with a 10.0% return were also top performers during this time frame.

For the 10-year period, the median P.I.P.E.R. bond fund returned 7.6%; the Salomon and Lehman indexes returned 6.4% and 7.9% respectively. ■

Equity . . .

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Among the larger institutions, the one-year returns were: The Northern Trust, Chicago, 58.8%; Citibank, N.Y., 52.8%; Chase Manhattan, N.Y., 51.4%; Equitable Life, N.Y., 48.1%, and First National Bank of Chicago, 47.6%.

Looking at the three-, five- and 10-year statistics in addition to the more recent periods, Citizens Bank & Trust Co. of Chillicothe was one of the most consistent top performers.

Besides ranking fifth for the quarter, Citizens' return of 66% for the year placed it ninth. It ranked fourth for the three-year period with an annualized return of 33.4% and first in the five- and 10-year statistics with returns of 31.4% and 17.5%, respectively.

The top three performers on an annualized basis for the three years were Intrawest Bank of Denver, with 35.9%; First National Bank & Trust Co. of Oklahoma City, with 35.1%; and Employers Insurance of Wausau, Wis., with 34%.

Coming behind Citizens of Chillicothe in the five-year period were Intrawest, with a return of 29.7% and Employers Insurance of Wausau, with 28.9%.

For 10 years, ranked second behind Citizens was Guardian Life Insurance Co. of America, New York, with a return of 16.8% and First Wisconsin National Bank, Madison, was third with a return of 16.6%. ■

Peat Marwick announces fund results

NEW YORK—The median return of specialized equity funds exceeded those of bond funds and straight equity funds in 1982, and for the five years ending with 1982, according to Peat, Marwick, Mitchell & Co., New York.

The data also include returns of domestic bond and international equity and bond funds.

The median return of 46 specialized managers, including small-stock and options managers, was 30.7% in 1982, against a 29.5% median return to 105 bond managers, and 24.3% for 187 equity managers, Peat, Marwick, Mitchell's results show. The Standard & Poor's 500 index median was 21.7%, and Lehman Bros. Kuhn Loeb's Government/Corporate bond index median was 31.1%.

For the five-year period ending December 1982, the median specialized equity manager had a 23.2% return, against 18.4% for standard equity funds and 8.8% for the median fixed-income fund.

And in the fourth quarter, bond returns lagged far behind the returns in the rallying stock market. The median bond fund returned 8.2%, against 24.4% for the median specialized equity fund and 18.5% for the median equity fund.

Thirty-three overseas funds invested in non-U.S. dollar equities had a 2.7% median return in 1982, but 15 global funds, which don't have country restrictions, cashed in on the U.S. stock market rally, with a 10% median return. For five years, non-U.S. dollar and global equity funds had median returns of 14.7% and 8.3%, respectively.

Thirty-five Eurodollar bond funds, which have no restrictions on maturity, had a 23.3% median return in 1982 and a 7.5% return in the fourth quarter. The median fund of middle-maturity Eurodollar bonds was 5.5% in 1982, and the median return of 17 short-term Eurodollar bond funds was 15.9% last year. The median fund without restrictions had a 20.2% return in 1982 and 8.2% in the fourth quarter. ■

U.S. Trust's Active Fixed-Income Formula

[POSITIVE ANNUAL RETURNS] + [LOW VOLATILITY (RISK)] = [SUPERIOR LONG-TERM PERFORMANCE]

Q. Has your bond manager consistently realized positive annual returns for over a decade—and achieved time-weighted rates-of-return exceeding the CPI for every period up to 10 years?

A. U.S. Trust has.

Superior Long-Term Performance
(Time-Weighted Rates-of-Return Ending 12/31/82)

	10 Yrs.	8 Yrs.	5 Yrs.
Salomon Bros. Index	6.1%	7.9%	5.8%
F. Russell 1st Quartile	7.7%	9.7%	9.1%
LBKL Govt./Corp. Index	8.4%	9.1%	8.4%
Consumer Price Index	8.7%	8.7%	9.5%
PIPER 1st Quartile	9.2%	9.8%	9.2%
U.S. Trust	9.4%	10.1%	10.8%

Q. How can you measure risk in investment style?

A. Volatility of historical performance.

This follows the axiom: the greater volatility in the rate-of-return, the greater the risk undertaken. Clearly, you would be wise to prefer a portfolio which earns 10% each period over a market cycle to one which alternates between rates of 0% in one period and 20% in the next.

RISK = VOLATILITY*

Universe or Index	Volatility
SBI	19.2%
LBKL	12.5%
PIPER	12.5%
F. Russell	11.9%
U.S. Trust	4.7%

*Volatility in terms of variability of quarterly performance, measured in standard deviations, for the five-year period ending 12/31/82.

At U.S. Trust, we adhere to an investment philosophy that *secures a stable capital value, provides a predictable cash flow,* and thus *realizes superior long-term performance.*

If our formula complements your objectives for fixed-income management, please call or write John K. Holland, Vice President, U.S. Trust, 45 Wall Street, New York, N.Y. 10005, (212) 806-4480.

U.S. Trust

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P.I.P.E.R. returns

Top equity funds by size

1-year returns

Over $100 million

	%
Intrawest, Colo.	62.6
US Natl. of Oregon	60.0
Mercantile at Dallas	55.6
Bankers Life, Iowa	55.0
Citibank, N.Y.	52.8
Interfirst Invt. Mgmt. Tex.	52.2
Cigna Corp., Conn.	50.5
Aetna Life & Cas., Conn.	49.4
Philadelphia Natl., Pa.	49.2
Equitable Life (No. 4)	48.1

$50 million to $100 million

	%
Security Pacific, Calif.	89.0
Northern Trust, Ill.	58.8
Fidelity Mgmt. Trust, Mass.	58.6
New England Mutual, Mass.	58.5
Texas Commerce	54.9
Manufacturers Detroit	52.5
Chase Manhattan, N.Y.	51.4
First of Chicago	47.6
Pacific Mutual, Calif.	47.3
Bessemer Trust, N.Y.	46.8

$10 million to $50 million

	%
First Variable Life, Ark.	76.8
Citizens Trust Co., Wis.	76.1
United of Denver, Colo.	68.4
First Bank Milwaukee	66.4
Citizens Chillicothe, Mo.	66.0
First Union Bank, N.C.	64.3
Equitable Trust, Md.	63.3
First of Oklahoma	63.2
Marine Midland, N.Y.	61.8
Amsouth, Ala.	60.0

Under $10 million

	%
California First Bank	71.6
Huntington Banks, Ohio	70.4
Merchants Natl., Ala.	68.2
Bank One Trust, Ohio	59.4
Seattle Trust, Wash.	59.3
Gary-Wheaton Bank, Ill.	57.0
Penn Mutual Life, Pa.	52.7
Lake Shore Natl., Ill.	52.6
Pioneer Bank, Ill.	50.7
Dauphin Deposit, Pa.	49.5

10-year returns

Over $100 million

	%
Bankers Life, Iowa	14.0
US Natl. of Oregon	13.8
Equitable Life (No. 4)	11.7
Aetna Life & Cas. Conn.	11.1
Intrawest, Colo.	10.8
Mercantile at Dallas	10.7
Massachusetts Mutual	10.5
Provident National, Pa.	10.4
Cigna Corp., Conn.	10.1
Interfirst Invt. Mgmt. Tex.	9.6

$50 million to $100 million

	%
Bessemer Trust, N.Y.	14.5
Hibernia National, La.	11.5
First Pennsylvania Bank	10.2
First American Corp., Mich.	9.6
Sentry Life, Wis.	9.1
New England Mutual, Mass.	8.6
Manufacturers Detroit	8.5
Crocker National, Calif.	8.5
Pacific Mutual, Calif.	8.4
North Carolina Natl. Bank	8.3

$10 million to $50 million

	%
Citizens Chillicothe, Mo.	17.5
Guardian Insurance, N.Y.	16.8
First Wisconsin Natl.	16.6
First Variable Life, Ark.	16.1
First Trust Corp., Colo.	14.5
Amsouth, Ala.	14.5
US Natl. of Galveston	14.5
Home Life, N.Y.	13.5
Minnesota Mutual	11.3
Landmark Union Tr., Fla.	11.0

Under $10 million

	%
Confederation Life, Ont.	12.7
First of Kenosha, Wis.	11.1
Olympic Bank, Wash.	10.9
Pittsburgh Natl. (QMS)	10.9
Penn Mutual Life, Pa.	10.9
Provident Mutual, Pa.	10.1
First Natl. of Commerce, La.	10.0
First Tennessee, Chat.	10.0
Old Second Natl. Aurora, Ill.	9.6
BancTexas, Dallas	8.9

Top quartile commingled equity funds

3-month returns

	%
Pioneer Bank, Ill.	18.2
Seattle Trust, Wash.	18.2
Merchants Natl., Ala.	17.9
Citizens Chillicothe, Mo.	17.6
First Union Bank, N.C.	17.2
First Wis. Natl., Madison	15.9
Fidelity Mgmt. Trust, Mass.	15.9
First Variable Life, Ark.	15.8
Huntington Banks, Ohio	15.7
California First Bank	15.7
Equitable Trust, Md.	15.6
Citizens Trust Co., Wis.	15.5
Northern Trust, Ill.	15.1
United Kentucky Bank	14.9
American Natl., Chic. (active)	14.8
Bankers Life, Iowa	14.8
First of Grand Island, Neb.	14.5
US Natl. of Oregon	14.4
Intrawest, Colo.	13.8
Central Bank Denver	13.7
Hamilton Bank, Pa.	13.6
Texas Commerce	13.5
Sun Bank, Fla.	13.5
Security Pacific, Calif.	13.4
Natl. of Commerce, Neb.	13.3
Employers Life of Wausau, Wis.	13.2
Marine Midland, N.Y.	13.1
Mercantile Trust, Mo.	12.9
Chase Manhattan, N.Y.	12.8
First Bank Milwaukee	12.8
Aetna Life & Casualty, Conn.	12.6
Merchants Natl., Ind.	12.5
Manufacturers Detroit	12.5
United of Denver	12.3
Provident Mutual, Pa.	12.3
St. Louis County Bank	12.2
Provident National, Pa.	12.2
Mercantile Natl., Ind.	12.1
Olympic Bank, Wash.	12.1
Penn Mutual Life, Pa.	12.0
Continental Bank, Pa.	11.9
Rainier National, Wash.	11.9
Union Central, Ohio	11.9
Fourth Natl., Tulsa, Okla.	11.9
American Fletcher, Ind.	11.9
Summit & Elizabeth, N.J.	11.9
Pacific Mutual, Calif.	11.8
Great West Life, Manitoba	11.7
HT Investors Inc., R.I.	11.7
Bank of Southwest, Texas	11.7
Minnesota Mutual	11.7
Citibank, N.Y.	11.6
Maryland National	11.5
American Security, D.C.	11.4
First Natl. of Tulsa, Okla.	11.4
Fifth Third Bank, Ohio	11.4
Guardian Insurance, N.Y.	11.4
Marine Trust, Wis.	11.4
John Hancock (stock), Mass.	11.3
First City Natl., Houston	11.3
Republic Natl., Dallas	11.2
Resource Bank & Trust, Minn.	11.2
Standard & Poor's 500	**10.0**

One-year returns

	%
Security Pacific, Calif.	89.0
First Variable Life, Ark.	76.8
Citizens Trust Co., Wis.	76.1
California First Bank	71.6
Huntington Banks, Ohio	70.4
United of Denver, Colo.	68.4
Merchants Natl., Ala.	68.2
First Bank Milwaukee	66.4
Citizens Chillicothe, Mo.	66.0
First Union Bank, N.C.	64.3
Equitable Trust, Md.	63.3
First of Oklahoma	63.2
Intrawest, Colo.	62.6
Marine Midland, N.Y.	61.8
Amsouth, Ala.	60.0
US Natl. of Oregon	60.0
Bank One Trust, Ohio	59.4
Seattle Trust, Wash.	59.3
Northern Trust, Ill.	58.8
Sun Bank, Fla.	58.6
Fidelity Mgmt. Trust, Mass.	58.6
New England Mutual, Mass.	58.5
Employers Life of Wausau, Wis.	57.9
Home Life, N.Y.	57.3
Gary-Wheaton Bank, Ill.	57.0
Mercantile at Dallas	55.6
Central Bank Denver	55.2
Ohio Citizens Trust	55.1
Bankers Life, Iowa	55.0
Texas Commerce	54.9
Merchants Natl., Ind.	54.8
First Wisconsin Trust	54.1
Citibank, N.Y.	52.8
Penn Mutual Life, Pa.	52.7
Lake Shore Natl., Ill.	52.6
Manufacturers Detroit	52.5
Omaha Natl. Bank, Neb.	52.4
First Wisconsin Natl., Madison	52.5
Interfirst Invt. Mgmt., Texas	52.2
American Security, D.C.	52.1
First City Natl., Houston	52.0
Chase Manhattan, N.Y.	51.4
Pioneer Bank, Ill.	50.7
Virginia National	50.7
Cigna Corp., Conn.	50.5
Rainier National, Wash.	50.4
Bank of Delaware	50.4
First Trust Corp., Colo.	49.7
Dauphin Deposit, Pa.	49.5
Aetna Life & Casualty, Conn.	49.4
Guardian Insurance, N.Y.	49.4
Philadelphia National	49.2
HT Investors Inc., R.I.	48.9
Summit & Elizabeth, N.J.	48.8
Morgan Guaranty (Median), N.Y.	48.7
State Street Bank, Mass.	48.6
Mercantile Natl., Ind.	48.2
First Interstate of Calif.	48.2
American Fletcher, Ind.	48.2
Equitable Life (No. 4)	48.1
First Tennessee, Chat.	48.1
Natl. of Commerce, Neb.	47.9
Minnesota Mutual	47.8
Wilmington Trust, Del.	47.8
Standard & Poor's 500	**44.5**

Three-year returns

	%
Intrawest, Colo.	35.9
First of Oklahoma	35.1
Employers Life of Wausau, Wis.	34.0
Citizens Chillicothe, Mo.	33.4
United of Denver, Colo.	32.6
First Union Bank, N.C.	32.0
First Interstate of Nevada	31.6
First Wis. Natl., Madison	31.4
Amsouth, Ala.	31.4
First Variable Life, Ark.	31.1
Citizens Trust Co., Wis.	30.8
Marine Trust, Wis.	30.6
Manufacturers Detroit	29.9
First Bank Milwaukee	29.4
California First Bank	29.2
Mercantile at Dallas	29.0
IAA Trust Co., Ill.	29.0
Huntington Banks, Ohio	28.8
First Tennessee, Chat.	28.5
Philadelphia Natl., Pa.	28.4
First Trust Corp., Colo.	28.3
Equitable Life (No. 4)	28.2
Sun Bank, Fla.	28.1
US Natl. of Oregon	28.1
Lake Shore Natl., Ill.	27.8
Provident National, Pa.	27.7
Bank One Trust, Ohio	27.3
Home Life, N.Y.	27.0
State Street Bank, Mass.	26.8
Ohio Citizens Trust	26.4
US Natl. of Galveston, Texas	26.3
Equitable Trust, Md.	26.2
American Natl. Chic. (Active)	26.2
Omaha Natl. Bank, Neb.	26.2
Puget Sound Natl., Wash.	26.1
Bessemer Trust, N.Y.	25.9
Massachusetts Mutual	25.8
First City Natl., Houston	25.8
Aetna Life & Casualty, Conn.	25.5
Northern Trust, Ill.	25.5
Fifth Third Bank, Ohio	25.5
Gary-Wheaton Bank, Ill.	25.3
Penn Mutual Life, Pa.	25.3
Chase Manhattan, N.Y.	25.3
Dauphin Deposit, Pa.	25.3
Seattle Trust, Wash.	25.2
First Wisconsin Trust	25.1
Wheeling Dollar Bank, W.Va.	25.1
Security Trust, Rochester, N.Y.	25.1
Colorado Natl. Bank	25.0
American Security, D.C.	25.0
Confederation Life, Ont.	24.9
Rainier National, Wash.	24.9
New England Mutual, Mass.	24.7
Bankers Life, Iowa	24.5
Natl. of Commerce, Neb.	24.5
First Kentucky Trust	24.4
Texas Commerce	24.4
Third Natl., Nashville, Tenn.	24.1
Natl. City Cleveland	24.1
Union Central, Ohio	24.1
Bank of Southwest, Texas	24.1
Standard & Poor's 500	**20.7**

Five-year returns

	%
Citizens Chillicothe, Mo.	31.4
Intrawest, Colo.	29.7
Employers Life of Wausau, Wis.	28.9
Home Life, N.Y.	27.1
Equitable Life (No. 4)	25.7
First Interstate of Nevada	25.6
US Natl. of Oregon	25.0
Bessemer Trust, N.Y.	24.7
Natl. of Commerce, Neb.	24.5
First Union Bank, N.C.	24.2
Mercantile at Dallas	24.1
United of Denver	24.1
First of Oklahoma	24.0
Philadelphia Natl., Pa.	23.9
First Wis. Natl., Madison	23.9
Capital Bank, Houston	23.8
Marine Trust, Wis.	23.7
First Trust Corp., Colo.	23.3
Omaha Natl. Bank, Neb.	23.1
Texas Commerce	22.3
Cigna Corp., Conn.	22.2
Confederation Life, Ont.	22.2
Sentry Life, Wis.	22.1
Citibank, N.Y.	21.6
Amsouth, Ala.	21.6
Wheeling Dollar Bank, W. Va.	21.6
Equitable Trust, Md.	21.5
Chase Manhattan, N.Y.	21.5
Aetna Life & Casualty, Conn.	21.4
Huntington Banks, Ohio	21.3
Natl. City Cleveland	21.3
Guardian Insurance, N.Y.	21.1
First Variable Life, Ark.	21.1
Northern Trust, Ill.	21.0
Lake Shore Natl., Ill.	21.0
State Mutual Life, Mass.	21.0
Rainier National, Wash.	20.9
Continental Bank, Pa.	20.9
IAA Trust Co., Ill.	20.8
Fifth Third Bank, Ohio	20.7
Commonwealth Natl., Pa.	20.6
US Natl. of Galveston, Texas	20.6
Penn Mutual Life, Pa.	20.6
Provident National, Pa.	20.5
New England Mutual, Mass.	20.5
First City Natl., Houston	20.4
Manufacturers Detroit	20.4
First Natl. Lincoln, Neb.	20.4
HT Investors Inc., R.I.	20.3
First of Fort Worth, Texas	20.3
Bankers Life, Iowa	20.2
First Interstate of Wash.	20.1
Texas American Bank	20.1
Security Trust, Rochester, N.Y.	19.9
First Bank Milwaukee	19.9
First Tennessee, Chat.	19.8
Seattle 1st Natl., Wash.	19.8
Equitable Life (No. 1)	19.7
Sun Bank, Fla.	19.7
Genesee Merchants, Mich.	19.7
Standard & Poor's 500	**17.6**

Ten-year returns

	%
Citizens Chillicothe, Mo.	17.5
Guardian Insurance, N.Y.	16.8
First Wis. Natl., Madison	16.6
First Variable Life, Ark.	16.1
First Trust Corp., Colo.	14.5
Amsouth, Ala.	14.5
US Natl. of Galveston, Texas	14.5
Bessemer Trust, N.Y.	14.5
Bankers Life, Iowa	14.0
US Natl. of Oregon	13.8
Home Life, N.Y.	13.5
Capital Bank, Houston	12.9
Confederation Life, Ont.	12.7
Equitable Life (No. 4)	11.7
Hibernia National, La.	11.5
Minnesota Mutual	11.3
First of Kenosha, Wis.	11.1
Aetna Life & Casualty, Conn.	11.1
Landmark Union Trust, Fla.	11.0
First of Oklahoma	11.0
Olympic Bank, Wash.	10.9
Pittsburgh Natl. (QMS)	10.9
Fifth Third Bank, Ohio	10.9
Penn Mutual Life, Pa.	10.9
Intrawest, Colo.	10.8
United of Denver, Colo.	10.7
Mercantile at Dallas	10.7
First Interstate of Wash.	10.5
Massachusetts Mutual	10.5
Provident National, Pa.	10.4
Liberty Natl., Okla.	10.4
Crown Life, Ont.	10.4
Moline National, Ill.	10.4
First Pennsylvania Bank	10.2
Colorado Natl. Bank	10.1
Cigna Corp., Conn.	10.1
Provident Mutual, Pa.	10.1
First Natl. of Commerce, La.	10.0
First Tennessee, Chat.	10.0
Mich. Natl. of Grand Rapids	9.9
Old Second Natl. Aurora, Ill.	9.6
Chicago Title & Trust, Ill.	9.6
First American Corp., Mich.	9.6
Interfirst Invt. Mgmt. Texas	9.6
Phoenix Mutual, Conn.	9.5
Bank of Delaware	9.4
Texas American Bank	9.3

Top fixed funds by size

1-year returns

Over $100 million

	%
Centerre Trust, Mo.	39.9
Cigna Corp., Conn.	39.6
Wachovia Bank, N.C.	38.9
American Security, D.C.	38.6
John Hancock	37.3
Texas Commerce	36.2
Citibank, N.Y.	36.1
Chase Manhattan, N.Y.	35.0
First of Chicago	34.7
Comerica Bank, Mich.	31.8

$50 million to $100 million

	%
Intrawest, Colo.	38.9
Irving Trust, N.Y.	35.2
Bankers Trust A, N.Y.	35.1
Marine Midland, N.Y.	35.0
Northwestern Natl., Minn.	34.5
Hibernia National, La.	31.8
Republic Natl., Dallas	30.7
HT Investors Inc., R.I.	28.7
Travelers, Conn.	28.0
First Union Bank, N.C.	22.5

$10 million to $50 million

	%
United of Denver, Colo.	42.6
Central Natl., Cleveland	42.0
Amsouth, Ala.	41.9
First Wis. Natl., Madison	41.7
First Kentucky Trust	40.1
Commonwealth Natl., Pa.	38.6
Trust SVCS of Amer., Calif.	38.5
Colorado Natl. Bank	37.2
Natl. of Commerce, Neb.	36.4
Landmark First Natl., Fla.	36.2

Under $10 million

	%
Commerce Union, Tenn.	45.1
First Variable Life, Ark.	40.1
Pacific Mutual, Calif.	36.2
American National, Minn.	35.7
Allied Bank, Texas	34.9
Bank of California	34.6
Ohio Citizens Trust	34.6
Fidelity Union, N.J.	34.4
Confederation Life, Ont.	34.0
Key Trust Co., N.Y.	33.9

10-year returns

Over $100 million

	%
US Trust, N.Y.	9.6
Manufacturers Hanover, N.Y.	9.5
Centerre Trust, Mo.	9.4
Texas Commerce	9.3
Cigna Corp., Conn.	9.1
Wachovia Bank, N.C.	8.3
Comerica Bank, Mich.	8.1
Citibank, N.Y.	8.0
John Hancock	7.9
Northern Trust, Ill.	7.8

$50 million to $100 million

	%
Hibernia National, La.	10.2
Fidelity Bank, Pa.	9.5
Bankers Trust A, N.Y.	8.2
North Carolina Natl. Bank	8.2
Irving Trust, N.Y.	8.0
First Union Bank, N.C.	7.8
First Pennsylvania Bank	7.8
First of Minneapolis	7.6
Intrawest, Colo.	7.6
Northwestern Natl., Minn.	7.3

$10 million to $50 million

	%
Jefferson Trust, Ill.	10.0
Seattle 1st Natl., Wash.	10.0
Fourth Natl., Wichita, Kan.	10.0
First Merch., Richmond, Va.	9.9
Bankers Trust B, N.Y.	9.1
Mercantile Trust, Mo.	8.9
First Kentucky Trust	8.7
Massachusetts Mutual	8.7
First Interstate of Calif.	8.7
First Wis. Natl., Madison	8.6

Under $10 million

	%
Bank One Trust, Ohio	11.7
Commerce Union, Tenn.	10.1
California First Bank	9.6
Allied Bank, Texas	9.1
Fidelity Union (Int), N.J.	9.0
Puget Sound Natl., Wash.	8.5
Oregon Bank	8.4
First of Bartlesville, Okla.	8.3
First Natl. of Commerce, La.	8.2
Security-Peoples Trust, Pa.	8.0

P.I.P.E.R. funds . . .

Life of Virginia	9.3
Standard & Poor's 500	**8.3**

Top quartile commingled fixed-income funds

3-month returns

	%
First Variable Life, Ark.	8.5
Merchants Natl., Ala.	7.2
First Merch., Richmond, Va.	6.9
Mutual of New York	6.1
Trust SVCS of Amer., Calif.	5.9
Intrawest, Colo.	5.8
Cigna Corp., Conn.	5.5
Key Trust Co., N.Y.	5.4
First Jersey Natl., N.J	5.4
Security-Peoples Trust, Pa.	5.2
United of Denver, Colo.	5.2
Beverly Bank, Ill.	5.2
California First Bank	5.2
First Interstate of Calif.	5.1
HT Investors Inc., R.I.	5.1
First Natl. State, N.J.	5.0
Texas American Bank	4.9
Minnesota Mutual	4.7
Equibank, Pa.	4.7
First Interstate Denver	4.7
Security Trust, Rochester, N.Y.	4.6
First Kentucky Trust	4.6
Massachusetts Mutual	4.6
First Interstate of Ariz.	4.5
Hamilton Bank, Pa.	4.5
Maryland National (Int)	4.5
Northwestern Natl., Minn.	4.4
First Interstate of Wash.	4.4
Gary-Wheaton Bank, Ill.	4.4
Maryland National	4.3
National of Georgia	4.3
Old National, Wash.	4.3
Texas Commerce	4.3
Seattle Trust, Wash.	4.3
IAA Trust Co., Ill.	4.2
Riggs of Washington	4.2
Fourth Natl., Wichita, Kans.	4.2
Lake Shore Natl., Ill.	4.2
Crocker National, Calif.	4.2
Marine Midland, N.Y.	4.1
Natl. of Commerce, Neb.	4.1
Central Fid., Richmond, Va.	4.1
Moline National, Ill.	4.0
Equitable Trust, Md.	4.0
Citibank, N.Y.	4.0
Peoples Trust, Ind.	4.0
American Security, D.C.	3.9
First of Neenah (Mtg)	3.9
First of Cincinnati	3.9
First of Maryland	3.9
Chicago Title & Trust, Ill.	3.9
Colonial Am. Natl., Va.	3.9
State Street Bank, Mass.	3.9
Wheeling Dollar Bank, W. Va.	3.9
Landmark First Natl., Fla.	3.9
Union Natl., Wichita, Kans.	3.9
Central Natl., Cleveland	3.8
Hibernia National, La.	3.8
First City Austin, Texas	3.8
Liberty Natl., Okla.	3.8
First Interstate of Oregon	3.8
Interfirst Invt. Mgmt. Texas	3.8
Lincoln Natl., Ind.	3.8
Salomon Bros. Index	**3.7**
LBKL Index	**3.1**

One-year returns

	%
Commerce Union, Tenn.	45.1
Salomon Bros. Index	**43.9**
United of Denver	42.6
Central Natl., Cleveland	42.0
Amsouth, Ala.	41.9
First Wis. Natl., Madison	41.7
First Variable Life, Ark.	40.1
First Kentucky Trust	40.1
Centerre Trust, Mo.	39.9
Cigna Corp., Conn.	39.6
Wheeling Dollar Bank, W. Va.	39.5
Wachovia Bank, N.C.	38.9
Intrawest, Colo.	38.9
Commonwealth Natl., Pa.	38.6
American Security, D.C.	38.6
Trust SVCS of Amer., Calif.	38.5
John Hancock	37.3
Colorado Natl. Bank	37.2
American Natl., Austin, Texas	37.1
Natl. of Commerce, Neb.	36.4
Landmark First Natl., Fla.	36.2
Texas Commerce	36.2
Pacific Mutual, Calif.	36.2
Citibank, N.Y.	36.1
American National, Minn.	35.7
Interfirst Invt. Mgmt. Texas	35.4
Irving Trust, N.Y.	35.2
Hawaiian Trust	35.2
Bankers Trust A, N.Y.	35.1
Colonial Amer. Natl., Va.	35.1
Marine Midland, N.Y.	35.0
Chase Manhattan, N.Y.	35.0
State Mutual Life, Mass.	35.0
Allied Bank, Texas	34.9
First Merch., Richmond, Va.	34.8
Mercantile at Dallas	34.8
First of Chicago, Ill.	34.7
Bank of California	34.6
Ohio Citizens Trust	34.6
Liberty Natl., Okla.	34.6
Northwestern Natl., Minn.	34.5
Mutual of New York	34.4
Fidelity Union, N.J.	34.4
Confederation Life, Ont.	34.0
First Tennessee, Memphis	33.9
Key Trust Co., N.Y.	33.9
Peoples Trust, Ind.	33.5
First Natl. State, N.J.	33.4
Security-Peoples Trust, Pa.	33.3
Connecticut National Bank	33.3
US Natl. of Oregon	33.2
Citizens Fidelity, Ky.	33.0
First of Allentown, Pa.	32.9
American Bank, Pa.	32.8
Natl. of Commerce, Tenn.	32.7
Citytrust, Conn.	32.6
United Kentucky Bank	32.5
Pioneer Bank, Ill.	32.5
Minnesota Mutual	32.4
Fleet Natl. Bank, R.I.	32.3
LBKL Index	**30.6**

Three-year returns

	%
First Merch., Richmond, Va.	22.8
First Kentucky Trust	21.1
American Natl., Austin, Texas	20.9
Bankers Trust A, N.Y.	20.6
Allied Bank, Texas	20.3
Central Natl., Cleveland	20.1
Intrawest, Colo.	20.0
First Variable Life, Ark.	19.8
Winters Natl., Ohio	19.7
Ohio Citizens Trust	19.7
American Security, D.C.	19.6
Wachovia Bank, N.C.	19.6
Security-Peoples Trust, Pa.	19.4
Mercantile Trust, Mo.	19.3
Marine Trust, Wis.	19.2
Texas American Bank	19.0
Centerre Trust, Mo.	18.9
First Jersey Natl., N.J.	18.8
Natl. of Commerce, Tenn.	18.8
American National, Minn.	18.7
Manufacturers Hanover, N.Y.	18.7
Beverly Bank, Ill.	18.7
Fidelity Union, N.J.	18.7
United of Denver, Colo.	18.6
Colonial Am. Natl., Va.	18.6
State Street Bank, Mass.	18.6
Pacific Mutual, Calif.	18.5
Salomon Bros. Index	**18.5**
Citibank, New York	18.4
First City Austin, Texas	18.4
First of Maryland	18.4
First Natl. State, N.J.	18.4
Crocker National, Calif.	18.4
Marine Midland, N.Y.	18.4
Morgan Guaranty (Median), N.Y.	18.3
Landmark First Natl., Fla.	18.2
First Interstate of Calif.	18.2
First Natl. of Commerce, La.	18.2
Seattle 1st Natl., Wash.	18.2
Key Trust Co., N.Y.	18.1
Hibernia National, La.	18.1
Texas Commerce	18.1
Landmark Union Trust, Fla.	18.0
Bank of New England, Mass.	18.0
Girard Bank, Pa.	18.0
Fidelity Union (Int), N.J.	18.0
Toledo Trust, Ohio	17.9
United Virginia Bank	17.9
Genesee Merchants, Mich.	17.9
Liberty Natl., Okla.	17.9
Riggs of Washington	17.8
Bank of California	17.8
Puget Sound Natl., Wash.	17.8
Trust SVCS of Amer., Calif.	17.7
LBKL Index	**17.7**
Fidelity Bank, Pa.	17.7
Provident National, Pa.	17.7
First Bank Milwaukee	17.6
American Bank, Tenn.	17.6
Fourth Natl., Wichita, Kans.	17.6
Connecticut National Bank	17.6

Five-year returns

	%
Fourth Natl., Wichita, Kans.	14.0
Texas Commerce	13.5
First Merch., Richmond, Va.	13.2
Seattle 1st Natl., Wash.	12.7
Hibernia National, La.	12.5
Fidelity Bank, Pa.	12.4
Commerce Union, Tenn.	12.2

(Continued on page 24)

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Funds ...

American Natl., Austin, Texas	11.9
Manufacturers Hanover, N.Y.	11.8
First Jersey Natl., N.J.	11.7
American Security, D.C.	11.7
Allied Bank, Texas	11.6
Jefferson Trust, Ill.	11.5
Beverly Bank, Ill.	11.5
Pacific Mutual, Calif.	11.5
First of K.C., Mo.	11.1
United of Denver, Colo.	11.1
Bankers Trust B, N.Y.	11.1
Bank of New England, Mass.	11.0
Pittsburgh National	11.0
US Trust, N.Y.	11.0
Fidelity Union (Int), N.J.	10.9
Trust Co. of Florida	10.8
Centerre Trust, Mo.	10.8
Merchants Natl., Pa.	10.8
90-day Treasury Bills	10.8
First Wis. Natl., Madison	10.7
First Interstate of Calif.	10.7
First Kentucky Trust	10.7
Mercantile Trust, Mo.	10.7
First of Neenah, Wis.	10.6
Mid-State Bancorp, Pa.	10.6
Manufacturers Detroit, Mich.	10.5
First Bank, Milwaukee	10.4
Riggs of Washington	10.4
Bankers Trust A, N.Y.	10.4
Seattle Trust, Wash.	10.4
American National, Minn.	10.3
American Bank, Tenn.	10.3
Security-Peoples Trust, Pa.	10.2
Citizens Fidelity, Ky.	10.2
First of Maryland	10.1
Landmark Union Trust, Fla.	10.1
First Natl. of Commerce, La.	10.1
Indiana National Bank	10.0
Mercantile Safe, Md.	10.0
North Carolina Natl. Bank	9.9
American Natl., Chicago	9.9
Toledo Trust, Ohio	9.9
Marine Trust, Wis.	9.9
State Mutual Life, Mass.	9.9
Merchants Natl., Ind.	9.8
Wachovia Bank, N.C.	9.8
Intrawest, Colo.	9.8
Oregon Bank	9.8
First of Wausau, Ind.	9.8
First of Elgin, Ill.	9.8
BancTexas, Dallas	9.8
Summit & Elizabeth, N.J.	9.8
LBKL Index	**9.0**
Salomon Bros. Index	**6.6**

Ten-year returns

	%
Bank One Trust, Ohio	11.7
Hibernia National, La.	10.2
Commerce Union, Tenn.	10.1
Jefferson Trust, Ill.	10.0
Seattle 1st Natl., Wash.	10.0
Fourth Natl., Wichita, Kans.	10.0
First Merch., Richmond, Va.	9.9
California First Bank	9.6
US Trust, N.Y.	9.6
Manufacturers Hanover, N.Y.	9.5
Fidelity Bank, Pa.	9.5
Centerre Trust, Mo.	9.4
Texas Commerce	9.3
Bankers Trust B, N.Y.	9.1
Cigna Corp., Conn.	9.1
Allied Bank, Texas	9.1
Fidelity Union (Int), N.J.	9.0
Mercantile Trust, Mo.	8.9
First Kentucky Trust	8.7
Massachusetts Mutual	8.7
First Interstate of Calif.	8.7
First Wis. Natl., Madison	8.6
First of Neenah, Wis.	8.6
Mercantile Safe, Md.	8.6
First Jersey Natl., N.J.	8.5
Puget Sound Natl., Wash.	8.5
Oregon Bank	8.4
Manufacturers Detroit	8.4
First of Bartlesville, Okla.	8.3
United of Denver, Colo.	8.3
Crocker National, Calif.	8.3
Wachovia Bank, N.C.	8.3
American Natl., Chicago	8.3
American Bank, Tenn.	8.3
Bankers Trust A, N.Y.	8.2
Landmark Union Trust, Fla.	8.2
North Carolina Natl. Bank	8.2
First Natl. of Commerce, La.	8.2
Citizens Fidelity, Ky.	8.1
Third Natl., Nashville, Tenn.	8.1
American Fletcher, Ind.	8.1
United Virginia Bank	8.1
Comerica Bank, Mich.	8.1
United Missouri, K.C.	8.1
American Fletcher (Int Mat)	8.1
Summit & Elizabeth, N.J.	8.1
LBKL Index	**7.9**
Salomon Bros. Index	**6.4**

The next quarterly P.I.P.E.R. report will appear in the Aug. 8 issue.

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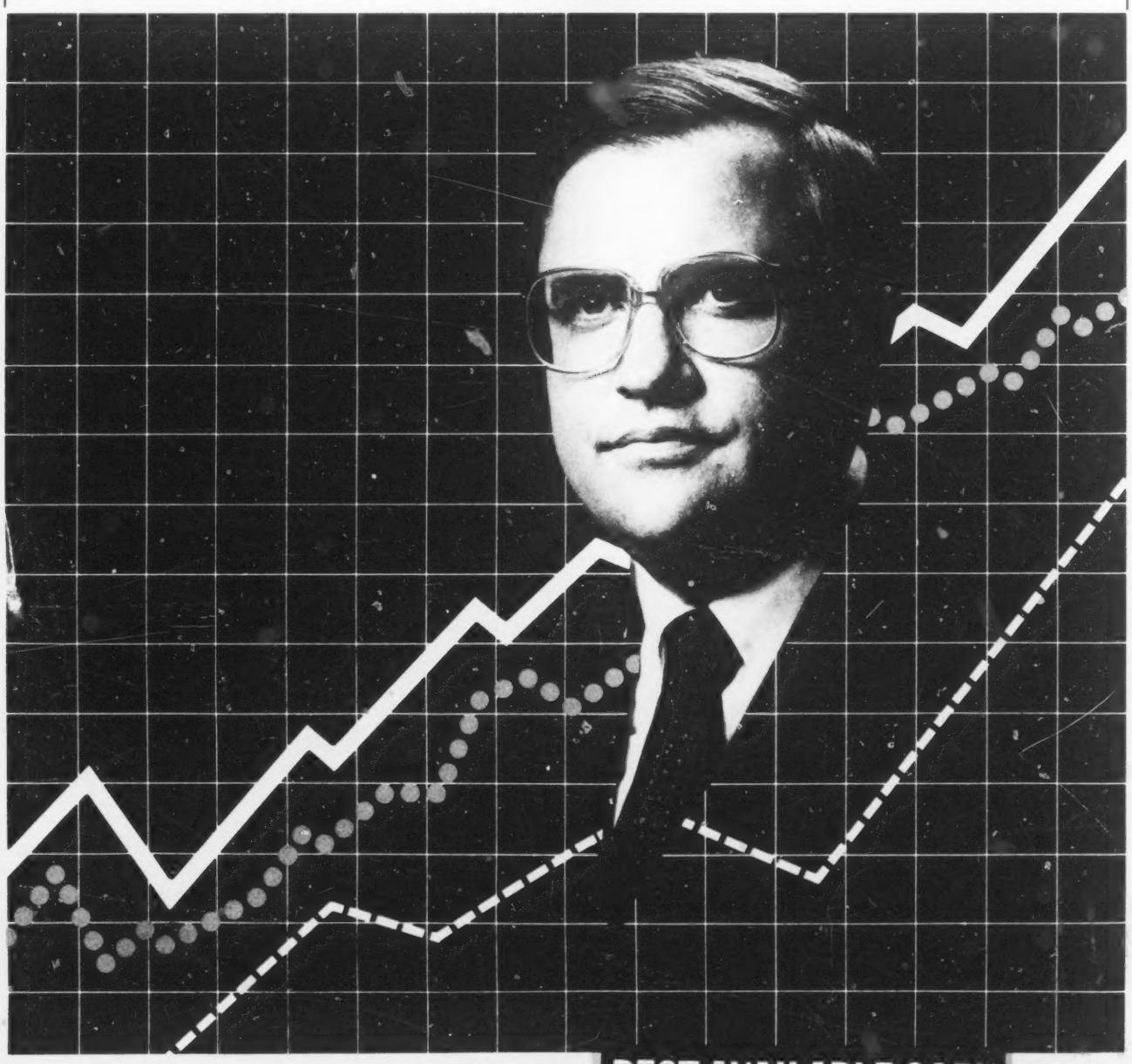

Metals prove sterling fruit for city fund

By Ivy Schmerken

SACRAMENTO, Calif.—Actively traded metals were the highest performing category for the Sacramento City Employees Retirement System for the year ending March 1983.

The $155 million public pension fund earned more than a 50% net rate of return investing in precious metals in that time period; the fund invests up to 1% of its assets in that area.

Assistant treasurer Philip Barach said in comparison the pension fund's stocks and bonds earned an annual return of roughly 30% in 1982.

The fund's asset mix for 1982 was 35% equities, 5% options, 2% real estate and about 58% fixed income.

On March 15, 1982, the pension fund, with total assets at that time of $140 million, committed 1% of the assets to gold and silver. The 50% return is an actual rate of return earned from that date to March 30, 1983.

Historically, gold and silver have outperformed stocks and bonds. One reason Sacramento's pension fund entered that market was the precious metals' 10-year track records.

The retirement board was influenced by a Salomon Bros. study that showed gold earned 28% and silver 21.5%, while stocks earned 5.8% and bonds 3.8% for the decade ending December 1980.

The board authorized the fund to invest $1.75 million in gold and silver.

It looked at the metals as something that could outperform stocks and bonds, and act as a hedge against future inflation and other negative factors.

Originally, 60% of the investment was devoted to silver and 40% to gold. That later was changed to 75% silver and 25% gold, and the pension fund now owns 20,000 ounces of silver and no gold.

The fund sold its entire gold position, 1,000 ounces, April 20-22, anticipating price declines. The price of gold was about $435 an ounce then, and is around $430 now.

A month before, Alaska's $740 million Public Employees Retirement Fund, also expecting price declines, sold 75,000 ounces—its entire position—for $414.25 an ounce.

Alaska announced when it sold the gold that it would not invest further in metals.

Sacramento, however, will.

The pension fund invests in both gold and silver, unlike Alaska, which owned only gold and futures contracts.

Since its inception, the investment program has been geared more to silver than gold, because the silver to gold ratio is cheaper, and because silver has less downside potential, said Mr. Barach.

The pension board went into the hedge understanding there would be losses and gains, said Mr. Barach.

The trades are internally directly but executed by brokers. Mr. Barach and his boss, City Treasurer Thomas P. Friery monitor the screen of the Commodity Exchange of New York all day.

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Cash Management

Companies polled had $47.6 billion

Fortune 100 firms' holdings grew 2% at year-end 1982

By Richard J. Gillespie

NEW YORK—Ninety-six Fortune 100 corporations held $47.6 billion in cash, marketable securities and time deposits at year-end 1982, a 2% increase from $46.7 billion the previous year.

Data on the Fortune 100, which is supplied by Wright Investors' Service of Bridgeport, Conn., and taken from balance sheets and 10K reports filed with the Securities and Exchange Commission, showed McDonnell Douglas Corp., General Dynamics Corp., Union Pacific Corp., United Brands Co. and R.J. Reynolds Industries had the five largest increments in cash and marketable securities holdings for the calendar year.

At the same time, U.S. Steel, Anheuser-Busch Cos., Continental Group Inc., Boeing Co. and Standard Oil Co. (Ohio), had the five largest decreases in overall holdings.

Experts warn the figures should not be taken in isolation when evaluating companies. Corporate cash and short-term investment portfolios fluctuate wildly in size during the year.

The 96 companies in the Fortune 100 are ranked by cash holdings; data on the remaining four companies either is unavailable, or included in companies that have become parent organizations.

The gyrations reveal fundamental and economic cyclical changes, as well as cash flow requirements related to operations and acquisitions.

With a combined total of $12.8 billion at year-end 1982, the five largest Fortune corporations ranked by sales—Exxon Corp., Mobil-Oil Corp., General Motors Corp., Texaco Inc. and Standard Oil Co. of California, showed a combined cash increment of 15% for the year.

The five smallest corporations, excluding Agway Inc. for which figures are not made available, saw a 36% decline to $312 million. These included American Brands Inc., Anheuser-Busch, Owens-Illinois Inc., Champion International Corp. and United Brands.

"Cash increased in most balance sheets because capital spending plans were cut back quite dramatically last year, while cash flows actually started to increase after the first quarter of 1982," said Philip Rodilosso, who is head of equity investments at Bankers Trust in New York.

"Plus there were a lot of divestitures and liquidations, that sort of thing, which raised cash as well.

"Also, 1981 had all the blockbuster mergers which would have been the opposite side of that, using up cash," he said.

"But the portfolio holdings alone don't really tell you anything. It is only a snapshot in time. The portfolios may have been significantly different on Dec. 15."

The five biggest increases in cash position were:

• **McDonnell Douglas'** holdings were up to $287 million from $15 million in 1981, an 1,813% increase.

"We have a very lumpy cash flow," joked Marie Graziano, manager of treasury administration, explaining the gain resulted primarily from a Department of Defense payment on the KC-10 military transport. It was received in December.

The money is held in very short-term investments. It was earning between 8.5% and 9% last April invested in repurchase agreements, government securities, Treasury bills and money market instruments supplied by the corporation's 17 credit line banks.

• **General Dynamics'** cash, marketable securities and time deposits rose to $98 million from $14 million, a year-on-year increase of 607%.

A spokesman said he could not comment because of the "confidential nature" of the company's work.

• **Union Pacific** saw cash holdings rise to $455 million from $75 million at the end of 1981, a 507% gain attributed to the merger with Missouri Pacific at the end of December.

"We took over all the cash they had on their balance sheet. It had nothing to do with the operations of the company, or the generation of cash," according to James Leahy, assistant treasurer.

• **United Brands**, up 367% to $28 million from $6 million reported in

Continued on page 42

Cash Holdings of Fortune 100 Corporations

Company	Holdings as of 12/31/82 ($ million)	% change from 1981	Company	Holdings as of 12/31/82 ($ million)	% change from 1981
Exxon Corp.	3,884	12.6	Dow Chemical	183	96.8
IBM	3,300	62.6	Owens-Illinois	181	−42.9
General Motors	3,126	136.6	Allied Corp.	176	−2.8
General Electric	2,587	4.7	W.R. Grace	165	96.4
Texaco Inc.	2,304	−18.9	Standard Oil (Ohio)	163	−65.7
Standard Oil (Cal.)	1,873	25.7	Union Carbide	154	−39.1
Mobil Corp.	1,675	−18.1	Minnesota Mining	150	−2.6
Ford Motor Co.	1,555	−26	ITT	141	−1.4
Litton Inds.*	1,382	19.2	Borden Inc.	131	0
Standard Oil (Ind.)	1,360	99.7	United Tech.	122	−27.4
Gulf Oil	1,225	−11.5	Bethlehem Steel	120	−54.6
Rockwell Intl.	1,042	−38.4	Signal Cos.	118	−22.4
Eastman Kodak	1,018	−9.3	Ralston Purina	109	211.4
Du Pont Co.	999	−14	TRW Inc.	105	−40.3
Chrysler Corp.	897	121.8	American Can	104	−39.9
Raytheon Co.	820	31.4	Amerada Hess	100	−54.5
Phillips Petroleum Co.	793	−11.4	Dresser Ind.*	100	−34.2
Atlantic Richfield	775	51.4	General Dynamics	98	607.3
International Paper	677	41.3	Sperry Corp.	95	79.3
Procter & Gamble	664	−0.3	General Mills**	94	62
Xerox Corp.	616	44.3	Consolidated Foods****	92	−37
Colgate-Palmolive	573	28.5	Goodyear Tire	83	15.3
Occidental Petroleum	572	127	Caterpillar	81	0
Sun Company	565	−2	Alcoa	80	9.6
Westinghouse	542	−21.9	RCA Corp.	76	−56.6
U.S. Steel	536	−77.3	Armco	75	−49.3
Nabisco Brands	489	128.5	Coastal Corp.	67	−13
American Home Prod.	474	−35	Continental Group	66	−70.1
Dart & Kraft	473	165.8	Republic Steel	66	43
Getty Oil	471	2.6	CPC Intl.	65	−19.8
Union Pacific	455	506.7	Charter Co.	60	−13
Texas Instruments	420	180	Champion Intl.	57	7.6
Monsanto	414	−2.8	Philip Morris	54	17.4
Gulf & Western*	397	−16.1	Deere & Co.*	52	−23.5
Beatrice Foods**	385	−32.6	Tenneco Inc.	45	−40.8
Johnson & Johnson****	366	−14.3	Georgia-Pacific	36	20
Firestone Tire*	316	−16.4	Lockheed Corp.	35	−31.4
Honeywell	316	8.6	United Brands	28	366.7
LTV Corp.	312	121.3	American Brands	24	60
Boeing	294	−68	Greyhound	23	−42.5
McDonnell Douglas	287	1813.3	Anheuser-Busch	22	−76.6
General Foods****	284	17.4	Farmland Inds.***	20	−56.7
Reynolds Industries	282	362.3	IC Industries	20	17.7
Pepsico	280	17.2	National Steel	18	−51.8
Union Oil, Calif.	280	16.2	Agway[2]	na	na
Coca-Cola Co.	261	−23.2	Ratus[2]	na	na
Intl. Harvester	259	−34.3	Bendix Corp.	148	74.1
Shell Oil	257	−29.4	Cities Service[3]	na	na
Ashland Oil	246	−29.9	Western Electric[4]	na	na
Weyerhaeuser	185	76.2	Marathon[5]	na	na

*Quarter ended 10/31/82
**Quarter ended 11/30/82
***Quarter ended 8/31/82
****Quarter ended 1/1/83
[1]Privately held corporation which does not make its figures public.
[2]Sub of the British company, British-American Tobacco (BAT). Figures not yet released.
[3]Figures included under Occidental Petroleum, now parent company.
[4]A subsidiary of AT&T which is not a Fortune 100 corporation.
[5]Figures included under U.S. Steel, now parent company.
Compiled by Hari Kapadia, Wright Investors Service, Bridgeport, Conn.

Fed prepared to introduce full pricing on check float

WASHINGTON—The Federal Reserve Board is ready to introduce full pricing on all its check processing float by Oct. 1, according to Lorin Meeder, associate director of Federal Reserve Bank operations.

Federal Reserve commentators have said the effective cost to banks of using the Fed's check processing services could rise by 20% to 30% when all the Fed's check float is priced out, a requirement of the 1980 Monetary Control Act.

At a meeting April 27, the board also decided to put out for public comment criteria for listing non-city point banks for noon presentment. The public comment period is expected to push the schedule for introducing noon presentment to non-city points back to about September, Mr. Meeder said.

Noon presentment has been taken by some bankers as a sideswipe at controlled disbursement, a lucrative banking service to corporations.

The board also decided how to price the Fed float that arises from high-dollar return items, midweek bank closings and bank holidays, local (or intraterritory) deliveries and adjustments to cash letter shipments. The pricing changes all will be implemented by Oct. 1, he said.

On return item float, the board switched to a policy deferring credit on checks to the institution returning it. The Fed originally proposed charging the bank that had sent it for collection using the Fed's wire transfer system, Fed Wire.

"That was the subject of severe criticism in the public comment period, and accordingly, we revised the proposals and adopted an availability schedule," Mr. Meeder said.

College chiefs warned

HARRISBURG, Pa.—State Treasurer R. Budd Dwyer has cautioned state-supported colleges against permitting alumni associations to offer members a credit card service run by an out-of-state bank.

In a letter to the college presidents, Mr. Dwyer said at least one association had sent out an advisory letter urging members to do credit card business with a Maryland bank that has a credit card operation in Delaware, a state with more liberal banking laws.

"Pennsylvania financial institutions provide jobs for Pennsylvania's economy and pay taxes to the Commonwealth of Pennsylvania, which in turn provides a large portion of the operating costs of Pennsylvania's state-supported institutions of higher education," Mr. Dwyer said.

Last June, the treasurer began firing Pennsylvania banks whose holding companies moved credit card operations to Delaware.

He ditched a $38,000 service offered by Girard Bank, and ended a $5,000-a-month security handling service Philadelphia National Bank had with the commonwealth.

Money market reports

CHICAGO—The Bank Administration Institute has introduced online money market instrument reporting through its interbank electronic videotext information network, InnerLine.

The new service, Money Market Monitor, reports current money market rates based on a sampling of 200 financial institutions selected at random. It was developed by Whittle Raddon Motley & Hanks Inc., a Chicago financial marketing firm.

Also included will be the rates offered by CDx, an automated exchange for federally insured certificates of deposit operated by Harvey Baskin & Co., a Washington-based firm.

The Money Market Monitor reports averages of rates taken nationally, regionally and by size of institution. It also provides trend analysis and a weekly commentary.

Rates now available on-line to InnerLine member banks include those on SuperNows and money market investment accounts and one-month, 2½-year and 3½-year certificates.

Although transactions cannot be undertaken through InnerLine itself, participants are invited to list how much they are prepared to buy or sell, rates and maturities. The relevant contact officer and telephone number for further inquiries also flashes on the InnerLine screen.

InnerLine, developed jointly by the Bank Administration Institute and American Banker, provides 28 services including financial news, analysis, financial reports and electronic mail.

SEC rule amended

WASHINGTON—The Securities and Exchange Commission approved a rule change allowing broker-dealers to issue monthly rather than immediate transaction confirmation statements to money market fund clients.

At the same time, the change requires them to disclose additional

Continued on page 40

Cash notes

Cash holdings . . .

Continued from page 39

1981.

The change meant very little, said Herman Beltzer, vice president and treasurer, particularly since United Brands reports on a fiscal year ending June 30.

Christmas is a crucial time in the meat business, he said, and added $28 million was closer to the norm.

• **R.J. Reynolds Industries** showed cash and short-term investments at $282 million, up 362% from $61 million shown in 1981.

Robert Bennett, assistant treasurer said the figures were misleading. At year-end 1982 and year-end 1981, short-term investments and cash actually totaled $313 million and $255 million respectively, he said.

The reason for the confusion was that some funds had been ascribed to the capital construction fund, as the result of an agreement for the U.S. Navy to purchase eight SL-7 container ships, six in 1981 and two in 1982.

In addition, the merger between Reynolds Industries and Heublein Inc. took place in 1982, and the annual report showed the fully consolidated company statement.

He said the funds were not exactly invested now. The corporation had received permission from the Maritime Administration to purchase the accounts receivable of affiliated companies at a discount.

The funds are earning interest, pegged to the prime rate and paying more than current money market rates, he said.

The five largest decreases in holdings included:

• **U.S. Steel**, where cash and marketable securities fell to $536 million from $2.36 billion held at year-end 1981, a decline of more than 77%.

Most of the drop resulted from the acquisition of Marathon Oil Co., according to John Richmond, assistant treasurer.

• **Anheuser-Busch**, whose holdings scored the highest percentage increase of the industrials from third-quarter year-on-year results, ended the calendar year with the second greatest decrease, a 76.7% decline to $536 million from $2.3 billion.

The acquisition of Campbell Taggart was the principal reason for the swings, according to Gerald Thayer, treasurer.

The brewing concern conducted a financing in 1981 and held the funds into the first quarter of 1982. The war chest earmarked for the acquisition of Campbell Taggart swelled its coffers, he explained.

Anheuser-Busch also has a fairly significant seasonal working capital needs. Typically, it will build its beer inventories up during the spring in readiness for the summer season, at which time it will extend credit to wholesalers.

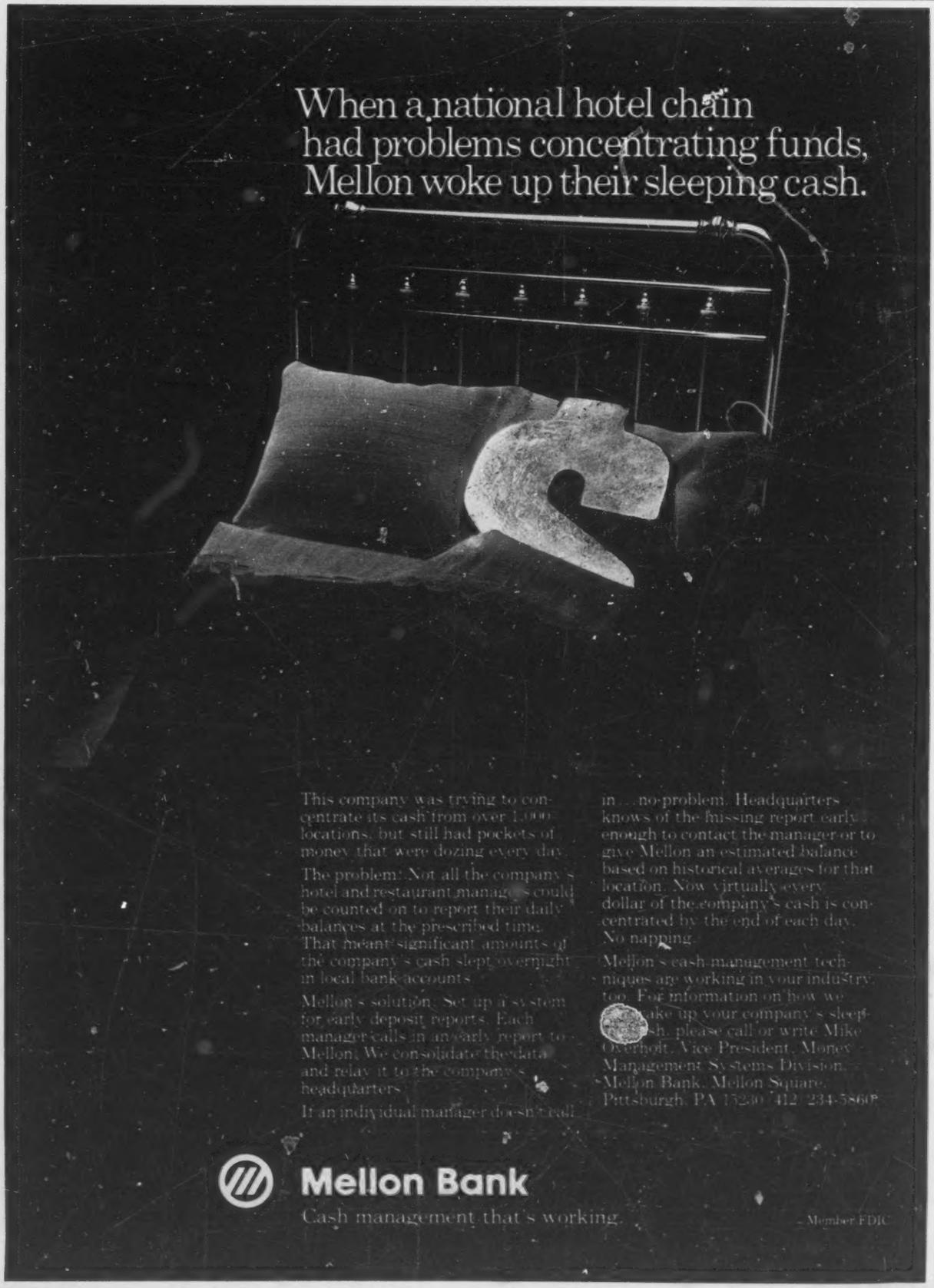
• **Continental Group** holdings fell to $66 million from $221 million recorded on the 1981 balance sheet, a 70.1% drop. A company representative could not be reached for comment.

• **Boeing**, whose cash and short-term investments fell 68% to $294 million from $920 million reported in 1981. This resulted primarily from developing the 757 passenger aircraft, according to a company spokesman.

"If we have less cash to invest, it's because we have had a hell of a negative cash flow," according to the spokesman, who added cash had been as high as $2.4 billion prior to 1981, before Boeing started on the 757 program.

• **Standard Oil (Ohio)** recorded holdings of $163 million in 1982 compared with $475 million in 1981, a drop of 66%.

"There was nothing special in 1982," commented a spokesman. "It was just cash flow." ■


When a national hotel chain had problems concentrating funds, Mellon woke up their sleeping cash.
This company was trying to concentrate its cash from over 1,000 locations, but still had pockets of money that were dozing every day.
The problem: Not all the company's hotel and restaurant managers could be counted on to report their daily balances at the prescribed time. That meant significant amounts of the company's cash slept overnight in local bank accounts.
Mellon's solution: Set up a system for early deposit reports. Each manager calls in an early report to Mellon. We consolidate the data and relay it to the company's headquarters.
If an individual manager doesn't call in . . . no problem. Headquarters knows of the missing report early enough to contact the manager or to give Mellon an estimated balance based on historical averages for that location. Now virtually every dollar of the company's cash is concentrated by the end of each day. No napping.
Mellon's cash management techniques are working in your industry, too. For information on how we can make up your company's sleeping cash, please call or write Mike Overholt, Vice President, Money Management Systems Division, Mellon Bank, Mellon Square, Pittsburgh, PA 15230 (412) 234-5860.
Mellon Bank
Cash management that's working.
Member FDIC

'82 tax law criticized

BROOKFIELD, Wis.—The Tax Equity and Fiscal Responsibility Act of 1982 will force companies to make drastic changes in their pension and profit-sharing plans, according to a recent article in Newsbriefs.

Newsbriefs is the publication of the International Society of Certified Employee Benefit Specialists.

Written by Bernard Handel, a certified employee benefit specialist, the article claims the law will require virtually every business and institutional enterprise to review existing plans.

High-earning executives and professionals will find the amount of deductible contributions applicable to their individual pensions reduced, the article said.

Under the new law, maximum limitations have been instituted for defined benefit and defined contribution plans.

The rules have the most impact on top-heavy plans and as a result, middle- and lower-income employees of some companies might benefit, according to Mr. Handel. However, he points out, some companies might cut benefits for all employees in order to comply with key personnel rules.

In his March article, Mr. Handel said the new top-heavy rules will restrict maximum benefits and escalate vesting for all employees of small- and medium-sized corporations. There will be a limitation on the retirement date that might penalize executives who withdraw money from pension plans before being 59½ years old.

If the plan is top-heavy, the same limitations apply if the owners disincorporate and revert to sole proprietorship or partnership status, Mr. Handel said; if more than 60% of the benefits in the pension plan are applicable to key employees, the same rules apply.

Mr. Handel said the restrictions will start in 1984 and apply to any top-heavy plan. Free copies of the article are available by contacting the Public Kelations Dept., ISCEBS, P.O. Box 209, Brookfield, Wis. 53005; (414) 786-8771. ■